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# What the EU Can, May and Should Do to Support Georgia

September  
2016

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## Executive summary

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The paper considers current political challenges encountered by Georgia and the geopolitical framework in which the EU-Georgia relationship develops. While Georgia is apparently better off on the democratic front, clouds are gathering again ahead of the forthcoming parliamentary elections — a possible game changer. Economy remain sluggish, political landscape fragmented and unpredictable, and security concerns unabated. Plagued by a multitude of problems and challenges, the West's interest in the country has been diminishing, while Russia is intensifying its propaganda machine and other dangerous tools at its disposal. The EU can and should develop a more differentiated approach to the South Caucasus and the Eastern Neighbourhood — and Georgia, in particular—based less on geography and more on democratic achievements and strategic importance. It is also discussed what the EU and other actors such as Europarties can do to support Georgia on its European path.

**Keywords** EU–Georgia relations – Parliamentary elections – Georgian economy – South Caucasus – Russia – Europarties

## Introduction

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Georgia often used to be seen as just a part of the Soviet/Russian political or cultural sphere, while of little, if any, importance for Europe.



There was little understanding of the rather complex regional context in which the country existed. Still, one should not dismiss Georgia's achievements in building imperfect but functional democratic institutions and fighting corruption, and the resilience of its population in securing legitimate democratic procedures for electing its government. Notwithstanding difficulties and hurdles, and a rather imperfect political transition, Georgia is currently seen as a frontrunner within the post-Soviet space in terms of democratic and economic freedoms, pro-Western orientation and stable governance. At the same time, Georgia's path toward European and Euro-Atlantic integration is impeded. The Russian threat of hybrid or direct action is looming, and ethno-territorial conflicts in Abkhazia and South Ossetia provinces, occupied by Russia, remain unresolved. Georgia finds itself in an increasingly unstable environment geopolitically and vis-à-vis the loss of interest and engagement from its Western partners. Though Georgia's future is still burdened with uncertainties, there remain grounds for optimism—although indeed, Europe and the West still can and should do more to help Georgia to stay on its promising path.

## **Key factors that challenge Georgia's path and future**

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To get a somewhat structured picture of contemporary Georgia, seven major factors or areas that influence the developments in the country can be singled out.

### **The sad legacies of a turbulent history**

For centuries Georgia, a continuous battlefield for its more powerful neighbours, had difficulty surviving as a state, until it was finally annexed by Russia in the early nineteenth century, after which it constituted the southern flank of the Russian Empire and then the USSR. With the dissolution of the Soviet Union, Georgia became known in the West for its strategic location at the crossroads between Europe and Asia. It was also noteworthy for the bloody conflicts of the early 1990s that took place either within Georgia (in Abkhazia and South Ossetia) or close to its borders (Karabakh, North Ossetia–Ingushetia, Chechnya). The existence of the two breakaway territories of Abkhazia and



South Ossetia, de facto annexed by Russia and formally recognised by it after the Russian–Georgian war of August 2008, where Russian military bases are located within a few dozen kilometres of Georgia’s capital, Tbilisi, has impeded the country’s economic and democratic development and prevented its closer integration into European and Euro-Atlantic structures.

History has not only determined the geographic boundaries and unique multiethnic demography of the country but has also brought about such facts as the Russian military presence on Georgia’s soil. Georgia’s historic path and, in particular, the Soviet legacy have influenced the political culture and social skills of the population, and their attitudes towards private property and business. Still, certain democratic experiences, a traditional pro-Western orientation and a relatively high educational level of the population place Georgia among the leaders of democratic transition in the post-Soviet space.

## Political institutions still in the making

After two and a half volatile decades of independence, and a number of changes of political leadership, many of the weaknesses of early post-Soviet political institutions still remain and hinder Georgia’s development. Key political parties seem to be devoid of any clear-cut ideology or consistent and realistic political programmes, any internal democracy or efficient management, and most of all—any pool of competent and skilled professional politicians. Parties, in their effort to attract public attention and support, tend to fill their ranks with prominent sports figures, artists, journalists and business people, lacking relevant knowledge and expertise. At the same time, the existence of political pluralism and competitive politics brings some hope in advance of the forthcoming (in October 2016) parliamentary elections, along with risks and uncertainty.

Other institutions remain equally weak in a system dominated by the executive branch of governance, where the position of president, notwithstanding significant power provided by the constitution, remains a symbolic one. Many decisions are made through behind-the-scene processes dominated by the powerful figure of the former prime minister and tycoon, Bidzina Ivanishvili. While certain steps were undertaken to strengthen the judiciary and streamline the whole system of law enforcement, investigation and courts, there is still much to be done in this key



direction leading to the rule of law. While relative political stability is a good thing for consolidating democracy, some other tendencies do not favour the development of a truly democratic political culture and elites.

Although the government has demonstrated its relative consistency in pursuing a pro-Western and democratic path, it still demonstrates a multitude of weaknesses that hinder progress. The biggest problem seems to be the personnel policy pursued when forming the government, as many of the ministers seem to lack vision, independence, initiative and courage, while the key decisions seem to be made by a very small group of leaders and in quite a closed manner. There are strong suspicions that former Prime Minister Ivanishvili still pulls the strings behind the scenes. As a result, the government, while dominating the decision-making process, is often unable to demonstrate a consistent strategic approach, consolidated vision of what should be done and how, and the ability to avoid decisions and rhetoric that damage the democratic credibility of the ruling elite.

## In search of an economic model that works

Since declaring its independence back in 1991, Georgia has struggled to discover the economic model that would fit it best. The transition from a Soviet planned economy to the free market economy has been painful and accompanied by many mistakes, inconsistencies and crises. The result has been an absence of any stable economic system conducive to investment, relatively fair distribution of wealth and quick growth, with progress further inhibited by political instabilities and external impediments. However, while the external factors remain a major risk for the Georgian economy, the Soviet legacy of a paternalistic planned economy integrated into the bigger Soviet system, lack of business skills among the population and the strong property rights, weak rule of law and—last but by no means least—poor economic policies have led to sluggish economic growth, huge trade and current account deficits, underdevelopment of productive industries, low productivity (especially in agriculture), systemic poverty and high unemployment, an inefficient social welfare system and a huge gap between the rich and the poor.

According to the Asia Development Bank, Georgia's economic growth slowed from 4.6% in 2014 to 2.8% in 2015 (the GDP was US\$16.52 billion in 2014), as a weak external environment curbed investment, exports



and remittances, while currency depreciation fuelled inflation.<sup>1</sup> Growth is expected to remain low in 2016 before starting to recover in 2017. Unemployment remains high, just below 15% in official figures.<sup>2</sup> Although much of the formal employment is in unproductive agriculture in rural areas (where about half of the labour force dwell, producing less than 9% of GDP), the real situation is weakly reflected by these figures. The economic crisis in neighbouring Russia, where now dwindling remittances from labour migrants largely originate, and the related weakening of the Georgian currency, the lari, have further worsened the situation of the poor, even though the government is trying to compensate for this by strengthening the social assistance system. As a result, as many as 21.4% of the population lives below the national poverty line,<sup>3</sup> while the Gini index is around 40,<sup>4</sup> showing a high level of inequality close to that in Latin American countries.

## The unbearable burden of unresolved conflicts

The unresolved conflicts in Abkhazia and South Ossetia over the last two and a half decades remain among the most troubling and sensitive issues for the Georgian people. Especially painful issues relate to the existence of about 250,000 internally displaced persons from the two regions, unable to return to their homes, and the dire situation of those ethnic Georgians who still continue to live in Abkhazia and South Ossetia under conditions of discrimination and repression. Over the last many years each of the parties to the conflicts have made numerous mistakes, and Georgia is paying a high price for its own errors. There seems no scenario for the conflicts to be resolved any time soon, especially since Russia has recognised the sovereignty of the two territories in the aftermath of the 2008 war, and stationed its own military bases there. Russia's hold on the region has further strengthened, even formally, since the two entities signed treaties with Russia in 2014–15, actually integrating them into the Russian military, law enforcement and economic space, while formally retaining 'independence'. On the one hand, Russia refuses to acknowledge itself as a party to the conflicts. On the other hand, Rus-

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<sup>1</sup> Asian Development Bank, 'Georgia: Economy', 2016, accessed at <http://www.adb.org/countries/georgia/economy> on 23 August 2016.

<sup>2</sup> National Statistics Office of Georgia, 'Employment and Unemployment', 2016, accessed at [http://geostat.ge/index.php?action=page&p\\_id=146&lang=eng](http://geostat.ge/index.php?action=page&p_id=146&lang=eng) on 20 August 2016.

<sup>3</sup> Asian Development Bank, 'Georgia and ADB', 2016, accessed <http://www.adb.org/countries/georgia/main> on 23 August 2016.

<sup>4</sup> Index Mundi, 'GINI Index (World Bank Estimate) Country Ranking', (n.d.), accessed at <http://www.indexmundi.com/facts/indicators/SI.POV.GINI/rankings> on 26 August 2016.



sia has sought to retain full control over any dialogue and to exclude any 'overseas partners' as mediators. Russia's approach implies that a resolution to the conflicts is hypothetically possible but at a price too high for Georgia to seriously consider. Russia may want Georgia's membership in the Eurasian Economic Union (EEU) in return, an option unacceptable to Tbilisi.

## The single existential threat—Russia

The key problem of Georgia is its permanent sense of insecurity vis-à-vis its northern neighbour—Russia. Although there is little probability of direct invasion from Russia (as happened in August 2008) in the immediate future, this risk should never be neglected. Another security threat emanating from Russia is related to the possibility of aggravated hostilities in Russia's North Caucasus, the spillover of conflict, terrorism and militants to Georgia, or Russian military action on Georgian territory against the North Caucasian militants (aerial attacks have taken place in the mid-2000s). In particular, there are risks related to the future return of hardened Salafi fighters from the Middle East, bringing along the risks of terrorism and instability; their presence also could serve as *casus belli* for Russian military action.

To sum up, Russia remains the only existential threat to Georgia's security and sovereignty. Its leadership follows a confrontational path towards the West, applying dangerous tactics of hybrid operations, aggressive propaganda and deceit. Russia does not shy away from more direct military threats or actions, with full disregard of international norms, agreements and obligations, whenever this is deemed useful for spreading an atmosphere of fear and control, and on the other hand, irrationally trying to hurt the West through proxies and divisive policies, countering any possibility of increased Western influence, democratisation or Europeanisation of Russia's neighbours such as Georgia. In the end, notwithstanding impressive support from Georgia's Western partners and supporters—foremost the EU and US—there are no safeguards for Georgia against possible Russian aggression, and nobody is ready to risk directly opposing Russia's actions on behalf of a country not protected by Article 5 of the North Atlantic Treaty (as is currently demonstrated in Ukraine).



## Unpredictable risks along the southern flanks

Its big southern neighbour, Turkey, has maintained good relations with Georgia, as one of its main trading partners and sources of investment. Turkey has been collaborating on a number of transportation projects such as oil and gas pipelines, and the Baku–Tbilisi–Kars railway. At the same time, before the drastic deterioration of Russian–Turkish relations in spring 2016, Turkey was careful not to spoil relations with Russia while pursuing common interests, such as deterring the presence of external military capacities in the Black Sea or cooperating in transporting energy resources to Europe. As Georgia is sandwiched between Russia and Turkey, any further worsening of the latter two countries' bilateral relations generates a security threat for Georgia, as it divides Russia from its important military base in Gyumri, Armenia.

Georgia's relations with its other immediate neighbours remain stable and friendly, even while, for example, Armenia hosts a Russian military base and has joined the Eurasian Economic Union bloc as an alternative to the European integration process. Armenia, Azerbaijan and Georgia have radically divergent aspirations, external orientations and levels of political and economic development, and different political destinies. While Armenia is Russia's 'strategic partner' and a member of the Collective Security Treaty Organisation, Azerbaijan is more reluctant to join any formal alliance. However, it is difficult to predict future alliances in the region that may strongly depend on how the Karabakh conflict unfolds, the issue being strongly manipulated by Russia. If this conflict turns into an open war, Georgia may once again become endangered on several fronts, whether due to the existence of large Armenian and Azeri minorities living side by side in Georgia, with the possible spillover of hostilities and the risk of a mass inflow of refugees, or to Russia's involvement in the conflict.

## International context: illusions, hopes and disappointments

As Georgia is a small country, it is not surprising that the international context is of special importance for its development. There has been obvious progress in Georgia's course towards further Western integration, and it is widely expected that Georgian citizens will finally receive the long promised visa-free arrangement with the EU during 2016. How-



ever, Georgia suffers due to the lack of strategic vision of its government, the weak rule of law and the lack of proactive diplomacy, as the current Georgian leadership appears unable to gain the full support of its Western partners, who have doubts about the domestic political situation, the selective justice and the general level of democracy.

Over the years, humanitarian, technical and development assistance from the EU and the US has helped Georgia to survive during the most difficult times. The EU played a key role in stopping the military action during the Russian–Georgian war of 2008, and the EU Monitoring Mission has played an important role in securing peace since then. At the same time, Brussels was always careful not to antagonise Russia by supporting Georgia’s aspirations to join NATO or to integrate into the EU, providing political support for sensitive issues or offering any direct military assistance. The US went further in assisting Georgia beyond purely technical and financial aid; however, it appeared unable to persuade some of its European partners not to block Georgia’s Euro-Atlantic integration, its key hope for achieving security. Notwithstanding their reticence, Georgia’s pro-Western orientation and close relations with its Western supporters have always also been a risk factor, as Russia has never hesitated to threaten to react to Georgia’s aspirations and actions. Now that tensions between Russia and the West are on the rise, while the threshold for military action and for neglecting international norms on the part of Russia has significantly lowered, Georgia may again become a target of Russia’s aggression along the lines of the proxy wars of the Cold War times.

As the economic benefits of the Deep and Comprehensive Free Trade Agreement signed with the EU seem to be slow to materialise, new hopes have emerged for the future of the Georgian economy in relation to a massive increase in investment from China.

Georgia eagerly participated in the ‘New Silk Road’ (also known as the ‘Silk Road Economic Belt’) initiative led by the Chinese government. Active trade cooperation is ongoing, and several economic projects have already been implemented, including the opening of several Georgian wine houses in China as well as transportation and port facilities in Georgia. China has emerged not just as an important economic trading partner, holding second place among Georgia’s export destinations, but also as a geopolitical actor in the region that Russia is unwilling to antagonise or deter.



Recently there has emerged a new, important player that may exert increasing influence over developments in and around Georgia. Such a regional force is Iran, as after signing of the nuclear deal and lifting of some Western sanctions, it is in the process of reclaiming its position at a regional as well as a global level. Georgia has a visa-free regime with respect to Iran, and currently an agreement has been reached on trade in electric power, while other prospective long-term energy cooperation options are emerging.

## Internal political games and players

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It is worth briefly considering key internal actors that play a role in determining Georgia's future, although some of these actors have already been mentioned above.

### The dubious advantage of pluralism: numerous but weak political parties

Based on the experience of the last years, the Georgian political party system until recently could be defined as a 'dominant-power system', with a single party totally dominating the political life. Now it is increasingly what may be described as a 'loose multiparty system', with the ruling coalition in the process of fragmentation, gradually losing its popularity and public support, while elections are to be held quite soon. While parties remain key political institutions in the country, their role is somewhat instrumental in most cases—in a political landscape organised around the personalities of key politicians rather than a political agenda or ideology. The main actors in interparty competition are not stable, whereas Georgian political parties do not have strong roots within the society and are weakly rooted in social interests.

There are several parties (out of hundreds registered but virtually inactive) that are playing important roles in defining Georgian politics: the Georgian Dream, the United National Movement, the Republicans, the New Political Centre—Girchi, the Free Democrats, the Democratic Movement—United Georgia, the National Forum and the Union of Georgian Patriots. While in the forthcoming parliamentary elections to be held in October 2016 the main competition will presumably be between the first



two parties, neither of these is expected to win an absolute majority of votes, creating the need to form alliances. Against the backdrop of widespread allegations regarding the misuse of judicial powers to punish and repress political opponents, the government should do more to either allow reconsideration of the cases or to better justify its own actions. Frequent accusations at local and international levels of the holding of political prisoners in the country are tarnishing its political image. Intolerance and aggressive rhetoric towards the opposition United National Movement on the part of the ruling coalition is counterproductive both for building internal cohesion and for consolidating democracy.

## **The challenge of personalised leadership and informality in governance**

While the former prime minister and tycoon Bidzina Ivanishvili retired from politics almost two years ago, it is widely believed that he wields decisive clout over the government and the parliamentary majority. He plays the role of ‘grey cardinal’ not too beneficially for development of democratic institutions. However, his political influence is expected to diminish after the forthcoming parliamentary elections, as the position of his party—the Georgian Dream—will most probably weaken. Nevertheless, there is no doubt that he will still remain the richest Georgian and an influential personage.

Another important person is Georgia’s former president Mikheil Saakashvili, currently deprived of Georgian citizenship due to his taking Ukrainian citizenship after his appointment as the governor of the Odessa oblast. He still preserves significant influence over the United National Movement—and therefore, over Georgian politics—although his influence may be damaged if he fails to succeed in Ukrainian politics.

Finally, the current Georgian president, Giorgi Margvelashvili, notwithstanding his exerting only very modest influence over the decision-making process and the lack of any party base, is quite popular among the population. In the event that he decides to support one or another political force, he may have a certain impact on the disposition of forces in the future political reality.



## A powerful church and flawed secularity of the state

The Georgian Orthodox Church and its leader, Patriarch Ilia II, have remained the most authoritative and popular public institution and person in Georgia for decades. While the absolute majority of the Georgian population at least formally or culturally belong to this church, it seems that this belonging is more a question of identity than genuine religiosity. However, the Church is rich and influential, and its role is strengthened by special constitutional agreement with the state and significant state funding. The Church is increasingly trying to meddle in issues with a political and social dimension, in particular, those related to policies and legislation dealing with family and marriage, education and minority rights (including LGBT rights). Promoting ‘traditional’ values and intolerance toward sexual minorities and ‘non-traditional’ religious communities, the Georgian Church is considered by many as having overly close relations with its Russian counterpart and thus promoting a pro-Russian orientation and attitudes. At the same time, at the highest level it has on numerous occasions stated its adherence to the ideas of European and Euro-Atlantic integration. The excessive influence of the Georgian Orthodox Church on political developments in the country is a serious problem, as it threatens the secular essence of the Georgian state and its principles of democratic freedoms and non-discrimination against minorities.

## Many is good but sometimes not easy: ethnic and religious communities in Georgia

An important historical legacy of Georgia is its multiethnicity. According to the 2014 census data, minorities constitute around 14% of Georgia’s population, with the major minority groups comprising Azeris (6.3%), Armenians (4.5%) and Russians (0.7%),<sup>5</sup> while the rest of the minorities—including Ossetians, Greeks, Ukrainians, Abkhazians, Yezidi Kurds, Assyrians and Jews—represent smaller percentages. The confessional picture is equally diverse, as in addition to ethnic minorities who belong to certain religions, Georgians, too, while predominantly Christian Orthodox, include Sunni Muslims in Ajara and Catholics in Southern Georgia, as

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<sup>5</sup> National Statistics Office of Georgia (GeoStat), *2014 General Population Census: Main Results – General information*, 28 April 2014, accessed at [http://geostat.ge/cms/site\\_images/\\_files/english/population/Census\\_release\\_ENG\\_2016.pdf](http://geostat.ge/cms/site_images/_files/english/population/Census_release_ENG_2016.pdf) on 25 August 2016.



well as smaller confessional groups of Baptists, Jehovah's Witnesses, and a few other denominations.

Notwithstanding such cultural diversity, only a few ethnoconfessional groups influence Georgian politics, apart from those in the secessionist regions of Abkhazia and South Ossetia. In the first place, these are compactly living Armenians and Azeris who mostly do not speak Georgian and who to a great extent are influenced by media and directions from their kin states—Armenia and Azerbaijan. Another important group consists of Georgia's Muslims, or rather, their radical representatives who frequently become engaged with the jihadi movements and travel to Syria to fight there against 'infidels'. On the one hand, Islamic radicalism erodes the power of the state in its respective communities; on the other, the prospective return of militant jihadists may represent a serious security threat for the country.

### **Civil society and mass media—important, but still needing to mature**

The civil society and mass media remain important political factors, even though the former is still weakly rooted in the society and lacks legitimacy. The civil society is mainly funded by Western donors, among whom the EU plays an important role. Indeed, the EU's approach to assisting democracy in its neighbourhood has shifted lately, and the state agencies are no more the main players, as civil society organisations (CSOs) are becoming substantial and increasing their financial support. This approach has helped the EU to diversify its channels of communication towards the civil societies of its neighbours, and appears to be more effective and less dependent on immediate political disposition of forces. In this regard the European Endowment for Democracy (EED) is playing a very important role, due to its predominant focus on the civil society. Although in operation for only three years, the EED has succeeded in supporting a number of innovative projects and has become one of the most visible actors in support of democracy. The EED has already supported six Georgian projects, covering the electoral environment, research, youth politics and the media. However, the latter is struggling with financial difficulties and widespread lack of professionalism. In spite of all the above-mentioned difficulties, many CSOs and their leaders play an important role in generating and spreading new ideas and practices, promoting democratic values, tolerance and knowledge. Their role has been



especially visible during the periods of turmoil or transition, as during and after the important parliamentary elections of November 2003 and October 2012, which both times brought a change of ruling elites. Over the past years since independence, the civil society in Georgia has developed in many important respects and played an increasingly important role. Many CSOs operating in Georgia have been consistent advocates of democratic freedoms and human rights and have earned respect in certain parts of the society at large. A number of CSOs have become important agents in dissemination and protection of liberal values, while many civic activists have become well-known public figures and influence public discourse.

At the same time, the civil sector has failed to acquire social legitimacy, get fully embedded in the wider society, and become a platform for the expression of diverse and pluralistic interests, and for wide public participation. Genuinely membership-based associations are very few, as a rule, while the scope of volunteer activity is limited. The majority of developed CSOs are domiciled in Tbilisi and a few other urban centres, whereas elsewhere civil activity remains virtually non-existent, despite targeted actions by (mostly international) donors. Still another structural problem is related to the lack of financial sustainability, predominantly dependent upon and hence shaped by the assistance of Western donors. In some cases CSOs serve merely as a source of income for their members, and in other cases promote illiberal, nationalist and xenophobic ideas and values. The media constitute another actor closely interacting with the civil society, and also in need of capacity building. It often lacks professionalism and independence, but also still needs to overcome the Soviet legacy of serving just as a propaganda machine. Lack of content and quality political analysis weakens the latter's educational function and negatively contributes to the general development of the public sphere.

## **Quo vadis, Georgia? Prospects and challenges**

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The current political and social landscape in Georgia is complex but at the same time surprisingly quiet. After years of non-stop turmoil and change there is a feeling that the society is asleep. However, this, on the one hand, is misleading, as there are many hidden and intertwined



processes that are difficult to observe; on the other hand, parliamentary elections of October 2016 are looming that may/will dramatically change the current calm.

A few continuing, short-term political uncertainties may lead to unexpected and as yet unpredictable developments in the period prior to the scheduled parliamentary elections of 2016. One of the most important processes that will definitely have a strong influence on the outcome of the forthcoming elections is the gradual erosion of the legitimacy and popularity of the ruling political elite and the government.

Although the Georgian Dream–Democratic Georgia coalition continues to dominate the parliament, its popularity is eroding. It lacks a unifying ideology or basic strategy, while the government is perceived as ineffective and remains a composite of various groups (gradually spinning off) that were consolidated under the leadership of Ivanishvili in order to oust Saakashvili from power. With Ivanishvili having formally left active politics, the stability of the ruling coalition is weakening, while the role of Ivanishvili himself as a possible power behind the scenes remains somewhat ambiguous, presenting serious risks for democratic consolidation, but also discrediting the credentials of the ruling coalition. Since the United National Movement is also weak, the question of which political forces would be able to fill the vacuum remains open, creating uncertainty.

As the Georgian economy is strongly linked with the Russian economic system, mainly through bilateral trade and remittances, financial problems and the rouble devaluation there have had a serious impact on Georgia as well. During the winter of 2015–16, the Georgian currency approached its all-time low, having lost almost 40% of its value since September 2015.<sup>6</sup> It is hence no surprise that economic and social issues, and high unemployment in particular, are at the top of people's concerns for the first time, while earlier, political issues such as restoring territorial integrity dominated.

This is coupled with the general increase of the widespread concern for a future that may be loaded by dangers, poverty and instability, and further aggravated by geopolitical unpredictability caused by the

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<sup>6</sup> *Civil Georgia*, 'Georgian Lari Hits All-Time Low Against Dollar' (22 January 2016), accessed at <http://www.civil.ge/eng/article.php?id=28930> on August 26 2016.



new assertiveness of neighbouring Russia. Since invading Georgia in August 2008, and the annexation of Crimea in the spring of 2014, Russia has been getting involved in one military adventure after another (Ukrainian Donbas, Syria), ready to opportunistically ignore international law or its own agreements whenever deemed profitable by the small circle of autocratic leadership, if not by just a single person—Vladimir Putin. To some extent the actions of Georgia's southern neighbour—Turkey—also follows a somewhat unpredictable path, both in internal affairs and external actions. At the same time, in the light of Russia's actions in Ukraine, the West is now taking Russian transgressions much more seriously.

Still, there is a strengthening sense of disappointment in the European Union and the West in general, especially since the most important symbolic act expected of the EU— introduction of the visa-free regime for Georgian citizens, has been once again postponed, allegedly because of Germany's demand. Equally disappointing in the eyes of the public is the never-ending process of joining NATO after such expectations have been created in the past.

This sentiment is developing in parallel to ever-strengthening waves of Russian propaganda that, on the one hand, attempt to discredit the EU by showing it as a loosely united, diverse region of degrading morale and an uncertain future. The EU, which is currently experiencing grave economic problems and being hit by numerous crises, due to the complex decision-making process, is naturally only too cautious in its actions and often unable to take any decisive action; on the other hand, the benefits of aligning with Russia and joining the Russian-led EEU are presented in unrealistically rosy colours, as opposed to the dangers and risks of distancing from Russia and becoming an American geopolitical puppet, which may be sacrificed and abandoned by the egotistic West at any moment, as has happened in the past. Russia is also using its agents of influence to stir dissatisfaction with the current state of affairs, the spread of traditionalist values and, in particular, homophobia, xenophobia, and ethnic and religious nationalism. This is also accompanied by the strengthening of the Russian military presence and overall control over Georgia's breakaway territories of Abkhazia and South Ossetia, and significant reinforcement of the Russian military base in neighbouring Armenia, in Gyumri.



Geopolitical tensions in Georgia's neighbourhood pose certain risks, in particular, as between 50 and 200 Georgian citizens are reported to have joined Islamic State. There are threats related to the future return of hardened fighters from the Middle East, bringing along the risks of terrorism and instability, and whose presence could also serve as *casus belli* for Russian military action, as it has in the past.

To sum up, the main challenges that Georgia will be encountering lie not only in areas of internal politics and in security risks in a dangerous external environment but also in how internal politics will influence its actions and attitudes in the international arena.

The main internal challenge will be to create after the parliamentary elections of October 2016 a stable and effective government that will be able to carry out necessary reforms, streamline economic policies and restart a high growth rate, and improve Georgia's international image. It also goes without saying that if the elections are flawed this will hugely discredit the winners and tarnish the image of the country. There already has been some pre-electoral political violence, but there still are expectations that these incidents will remain unfortunate exceptions and not be common practice, unless the government is ready to further damage its democratic credentials.

The main external challenge for Georgia is to avoid the risks of excessively antagonising and getting into direct confrontation with Russia (in particular, in the light of Russian–Turkish tensions and Russia's possible involvement in the event of a re-ignition of the Karabakh conflict), while being able to consistently pursue sovereign pro-Western policies and continue its attempts to establish closer cooperation, integration and partnership with the EU, the US and NATO. Possible instability around Karabakh will pose still another problem of preserving peaceful relations between the Azeri and Armenian communities living in Georgia, and also that of dealing with possible flows of refugees from the conflict.

Finally, as the outcomes of the forthcoming parliamentary elections and therefore of the future government are not easily predictable, the challenge will be to preserve the pro-Western political orientation and course and the process of reforms in political, economic and social spheres that will consolidate democracy, improve the employment situation, reduce poverty and strengthen the state.



# How far can the struggling EU support Georgia? The need for lateral thinking

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The European Union is currently encountering numerous crises such as Brexit and other threats to its unity, and those emanating from the new assertiveness of Russia and now also China, the migration crisis and the recent activation of international terrorism. Still, there is no doubt that it will continue to move along the path of becoming one of the global centres not just of economic but also of political power. It will continue its efforts at establishing decisive and beneficial influence in its immediate neighbourhood, threatened currently by Russia's aggressive actions and neglect of international law. With the protracted 'hybrid' conflict<sup>7</sup> in Ukraine, and the political turmoil in Moldova, Georgia remains one of the few places along Europe's Eastern flank where with relatively little resources and effort the EU could explicitly demonstrate the real might of its soft power and the competitive advantage of the European model of liberal democracy, through supporting Georgia's democratisation and Europeanisation path and by helping it to finally free itself from its sad Soviet legacy. There is no doubt that a free, democratic and prosperous Georgia is a much greater asset for Europe than the permanently unstable, autocratic and impoverished nation it may otherwise become if abandoned once again, as happened almost a century ago.

Now the question arises, what can and should be done to support Georgia, and what are the risks that any such support is futile and implies wasted effort and resources, as has happened so many times in the post-Soviet space. First of all, it needs to be well understood that unless there are visible and tangible results of such support—readily observable by Georgia's population—the dangerous tendency of diminishing public support of Georgia's pro-European path may be further eroded by lack of progress in getting rid of mass poverty in the country, and by relentless and aggressive Russian propaganda, augmented by hostile threats and actions.

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<sup>7</sup> In a hybrid conflict (e.g. Russia's actions in Ukraine) military, subversive and non-military means are used along with internal proxies, while the main aggressor refuses to admit its involvement.



Introducing the visa-free regime for Georgian citizens that most probably will happen this year is a very welcome symbolic step in the right direction, but even if it is not delayed further, it is hardly enough, and may even appear counterproductive if Georgia does not become a better place, attractive enough to keep its population at home.

In an act of both practical and symbolic importance, on 27 June 2014 at a European Council meeting in Brussels, Georgia's prime minister signed the Association Agreement with the EU, including provisions for Georgian participation in a DCFTA. Still, for the DCFTA to fully benefit Georgia, the country needs to further develop its production and export to the EU, which is hardly possible without intensification of foreign direct investment in industrial development and the import of technologies and know-how, which are still rather slow.

There seem to be several key areas where European support is crucial, especially if well coordinated with American and other non-EU (Japanese, Norwegian, Swiss, Canadian) action. These are helping to improve the quality and effectiveness of governance; assisting in strengthening the country's security; enhancing investment and economic development, drastically reducing poverty; helping to counteract the Russian propaganda machine by assisting in creating alternative and attractive information channels; and, last but by no means least, helping to dramatically improve education and healthcare, which is definitely the most important investment in the future. Due to the small size of the country, it is only the security-related aspect that is really difficult to take care of, against the background of Russia's rather unpredictable behaviour. However, security is at the same time the function of democracy and economic prosperity as well, that is, the areas where European soft power is the most effective. And out of these, probably encouraging and supporting European investment in Georgia's industrial and technological development might appear both the easiest and the most efficient thing to start with.

## Recommendations

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However, instead of repeating the common recommendations of strengthening the conditionality of support for Georgia, or supporting the rule of law and the various state institutions, there is an attempt made below to propose just a few—but relatively innovative and cost-effective—



ideas that may be easily replicated and have a big impact on developments in the country. Still, one general recommendation for European political forces would be to prioritise support for the country and its democratic and economic transition, and by no means to favour the interests of any partner political movements or parties.

While assisting to revitalise Georgia's economy may require relatively more of currently scarce financial resources, some innovative approaches could be sought that focus on creating precedents and examples that may provide a strong multiplier effect. One such idea would be to negotiate with the Georgian government the creation of a relatively small but well-located special economic development zone where European know-how and technology could accompany investment (guaranteed by the EU) and other assistance in social infrastructure, expressly to bring in examples of effective management and technological innovation.

A similar effect could be achieved by supporting the creation of a technology park (technopolis, Science Park) that would be formed around one of the leading educational institutions in Georgia to promote excellence in research and technological innovation. This should become the place that supports university–industry–government collaboration aimed at the creation of high-tech economic development and advancement of innovation and knowledge throughout the country. The EU could support the partnering of such an endeavour with existing European centres of excellence, and should aim to closely cooperate with the US-led multi-million-dollar Millennium Challenge Corporation program for Georgia focusing on supporting STEM (Science–Technology–Engineering–Mathematics), as an investment in education and the knowledge economy is the best way to help Georgia reap the benefits of the existing trade agreements with the EU and secure long-term and sustainable economic growth. It may make sense to focus such an initiative in the area of biotechnology, due not only to the importance of this area of knowledge and innovation but also to the availability of qualified researchers working in such important areas as, for example, studying the practical applications of bacteriophages in medicine, particularly important due to the emergence of antibiotic-resistant bacteria.

It is important in general to get Georgian professionals involved in international projects, not just formally, as still occurs quite often, but as full-pledged participants. That will also require certain efforts on all sides,



but hardly any significant financial resources, while the outcome may be very important. This includes also various internships in the EU, including those at political institutions and government structures. It may be especially beneficial to motivate and support Europarties to closely work on democratisation and capacity building of partner political parties in Georgia, bringing about their maturing and Europeanisation. Indeed, support for Georgia's reforms may and should take place at various levels and in various directions, and one such important direction is through the transformative role of Europarties. To be effective, new models of cooperation should be explored by Europarties, through expanding the network of allies in the non-EU countries (and Georgia, in particular), putting more effort into supporting democratic and governance reform within the affiliated parties, while closely monitoring their real progress. Equally important is focusing on strategic communication beyond party politics, reaching out to the wider public and promoting more political pluralism, awareness and understanding of political processes among the population. Political transformation is doomed to failure without proper acceptance of European values by the citizens and political elites, who need to re-establish trust towards the actual political process, which in turn needs to become more pluralist and participatory and less personalised, and to be based on clear-cut values and ideologies and a long-term vision.

## About the author

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Editor: Ingrid Habets, Senior Research Officer, Martens Centre  
External editing: Communicative English bvba

This publication receives funding from the European Parliament.  
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